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**INSTITUTIONALIZATION**

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**MEDICAID INCOME COMPUTATION**

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**E. PERSONAL  
NEEDS  
ALLOWANCE  
(PNA)  
DEDUCTION**

The first type of deduction from a client's total income is the allowance of a PNA deduction. The PNA is intended to cover the cost of personal needs on a monthly basis (such as toiletries, etc.) that are not covered by Medicaid. The amount of each individual's PNA is determined as follows:

**1. \$44 PNA**

Each individual in LTC is entitled to at least a \$44 monthly PNA provided income equals \$44. Individuals in LTC who have income less than \$44, such as SSI eligible individuals who receive a \$30 monthly SSI payment, are entitled to keep the full amount of their income up to \$44 per month to meet their personal needs.

**2. \$88 PNA**

Each individual engaged in work or work therapy programs (such as enrollment in a sheltered workshop) and individuals who engage in activities such as the making of handicrafts for sale on a regular basis are entitled to a higher PNA of \$88 per month. The higher PNA is allowed for these individuals to allow for increased personal need expenses related to their work.

Note: Individuals who earn in excess of the increased PNA per month will have the excess counted in determining the remaining deductions and the resulting Medicaid Income. Individuals who earn less than the PNA of \$88 per month are entitled to the full \$88 allowance nonetheless.

For example, an individual in an institution with \$90 per month in average earnings will be entitled to an \$88 PNA the same as an individual with only \$30 per month in average earnings.

Earned income must be shown in MEDS as wages in order for the \$88 PNA to apply.

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**3. Additional  
Work  
Deduction**

Effective July 1, 2000, individuals with wages greater than \$44 will have their wages reduced by an amount that is 2 the SSI FBR, less the \$44 PNA. The resulting amount is added to any other income and the \$44 PNA is deducted from the remaining income. Each year, as the SSI FBR increases, the deduction for wages will increase.

Example: An institutional individual has \$450 in wages and \$550 Social Security.

\$450 - Wages  
-212 - 2 FBR (\$512, 2 = \$256) - \$44 PNA  
\$238 - Excess (countable) earnings  
+550 - RSDI benefits  
\$788 - Total Income  
- 44 - PNA  
\$744 - Medicaid Income

Individuals with wages less than \$44 will continue to receive the \$88 PNA.

**4. \$90 PNA**

For single veterans and surviving spouses of veterans in nursing homes who are subject to the reduced pension, the PNA is equal to the reduced pension payment. If the pension payment is \$90, the PNA is \$90. Note: If the pension payment is less than \$44 (or \$88 if the client works), the PNA would be \$44 or \$88, whichever applies and is greater than the reduced pension.

The client gets to keep the entire payment for personal needs but does not receive an additional PNA along with the pension. Note: Receipt of a lump sum retroactive reduced pension payment is not reflected in the client's budget. Do not adjust the PNA retroactively. Instead, the payment is free and clear. The payment may affect resources in subsequent months.